

1                   UNITED STATES DISTRICT COURT  
2                   FOR THE SOUTHERN DISTRICT OF NEW YORK  
3

4                   VIACOM INTERNATIONAL, INC., COMEDY )  
5                   PARTNERS, COUNTRY MUSIC         )  
6                   TELEVISION, INC., PARAMOUNT      )  
7                   PICTURES CORPORATION, and BLACK    )  
8                   ENTERTAINMENT TELEVISION, LLC,    )  
9                   )  
10                  Plaintiffs,                        )  
11                  )  
12                  vs.                                 ) NO. 07-CV-2203  
13                  )  
14                  YOUTUBE, INC., YOUTUBE, LLC,    )  
15                  and GOOGLE, INC.,                 )  
16                  )  
17                  Defendants.                        )

18                  )  
19                  THE FOOTBALL ASSOCIATION PREMIER )  
20                  LEAGUE LIMITED, BOURNE CO., et al., )  
21                  on behalf of themselves and all    )  
22                  others similarly situated,        )  
23                  )

24                  )  
25                  Plaintiffs,                        )  
26                  vs.                                 ) NO. 07-CV-3582  
27                  )  
28                  YOUTUBE, INC., YOUTUBE, LLC, and )  
29                  GOOGLE, INC.,                        )  
30                  )

31                  )  
32                  Defendants.                        )

33                  VIDEOTAPED DEPOSITION OF ERIC SCHMIDT  
34                  SAN FRANCISCO, CALIFORNIA  
35                  WEDNESDAY, MAY 6, 2009

36                  JOB NO. 16802

Figueira Decl. Tab

110

1 SCHMIDT, ERIC

110-0002

2 MR. MANCINI: Objection to form.

3 THE WITNESS: I don't remember the exact  
4 board conversation, but I explained the -- I explained  
5 my reasoning to them, absolutely.

6 MR. BASKIN: Okay.

7 Q And as best you can recall, can you tell us  
8 what reasoning you explained?

9 A Sure.

10 This is a company with very little revenue,  
11 growing quickly with user adoption, growing much  
12 faster than Google Video, which was the product that  
13 Google had. And they had indicated to us that they  
14 would be sold, and we believed that there would be a  
15 competing offer that, because of who Google was, pay  
16 much more than they were worth.

17 In the deal dynamics, the price, remember, is  
18 not set by my judgment or by a financial model or a  
19 discounted cash flow. It's set by what people are  
20 willing to pay.

21 And we ultimately concluded that 1.65 billion  
22 included a premium for moving quickly and making sure  
23 that we could participate in the user success of  
24 YouTube.

25 Q And that was the analysis that you